Postal Regulatory Commission Submitted 1/8/2016 2:12:14 PM Filing ID: 94590 Accepted 1/8/2016

BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268–0001

COMPETITIVE PRODUCT PRICES
PARCEL SELECT
PARCEL SELECT CONTRACT 13

Docket No. MC2016-75

COMPETITIVE PRODUCT PRICES
PARCEL SELECT CONTRACT 13 (MC2016–75)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-93

NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING REVISED PARCEL SELECT CONTRACT 13 (WITH PORTIONS FILED UNDER SEAL) (January 8, 2016)

On December 31, 2015, the United States Postal Service (Postal Service) filed in the dockets listed above a Request to add Parcel Select Contract 13 to the competitive product list within the Mail Classification Schedule. Attachment B to the filing was a redacted version of the contract that did not include a complete copy of "Attachment A" to that contract. The Postal Service includes with this Notice a revised version of the contract that now includes the contract's complete, redacted "Attachment A."

In addition, the Postal Service is filing under seal a revised version of the unredacted contract that now includes the complete "Attachment A" to the contract. The Postal Service incorporates by reference the application for non-public treatment that

¹ Request of the United States Postal Service to Add Parcel Select Contract 13 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, Docket Nos. MC2016-75 and CP2016-93, December 31, 2015.

was filed in this docket in conjunction with the Request of the Postal Service dated December 31, 2015.²

Respectfully submitted,

UNITED STATES POSTAL SERVICE By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Pricing and Product Support

Maria W. Votsch

475 L'Enfant Plaza, S.W. Washington, D.C. 20260-1137 (202) 268-6525, Fax -6187 maria.w.votsch@usps.gov
January 8, 2016

² *Id.* at Attachment F.

ATTACHMENT B TO REQUEST REDACTED SHIPPING SERVICES CONTRACT

SHIPPING SERVICES CONTRACT BETWEEN THE UNITED STATES POSTAL SERVICE AND

REGARDING PARCEL SELECT SERVICE

This Shipping Services Contract ("SSC" or "Contract") is r	made by and between
("Customer"), a corporation organized and exis	ting under the laws of with its
principal orfice at	and the United States Postal Service
(the "Postal Service"), an independent establishment of the	Executive Branch of the United States
Government established by the Postal Reorganization Act,	
office at 475 L'Enfant Plaza, SW, Washington, DC 20260. referred to herein collectively as the "Parties" and each as a	

WHEREAS, it is the intention of the Parties to enter into an SSC that will benefit the Postal Service, the postal system as a whole, Customer, and its customers, and that will comply with the requirements of Title 39 United States Code, as amended by the Postal Accountability and Enhancement Act of 2006,

NOW, THEREFORE, in consideration of the mutual covenants herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby mutually agree as follows:

Terms

The following terms apply as of the effective date, as defined below:

- A. Except to the extent different terms or prices are specified in this Contract, applicable provisions of the Domestic Mail Manual (DMM) (as may be regularly updated by the Postal Service and posted at http://pe.usps.com/text/dmm300/dmm300_landing.htm) and of other postal laws and standards apply to mail tendered under this Contract.
- B. This Contract applies to Customer's Parcel Select DSCF machinable pieces that

This Contract also applies to Premium Services. The ZIP Codes contained in Attachment A may be modified once a year by the Postal Service and will take effect on June 1 of each Contract Year.

- C. Customer must prepare Contract Packages in the manner specified by the Postal Service.
- D. Customer will manifest its Contract Packages entered packages as specified by the Postal Service, using the Electronic Verification System (eVS).

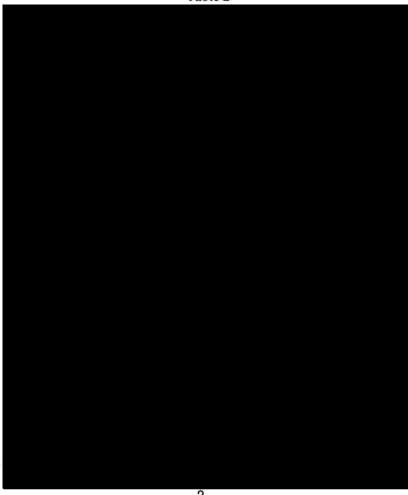
- E. Price Calculation. In order to qualify for the Contract prices listed in I.E.3, below, Customer must ship, in the initial year and each year thereafter, at least Parcel Select Contract Packages annually.
 - Contract Years. "Year(s)" or "Contract Year(s)" refers to the one-year period(s) from the
 effective date of the Contract until the anniversary of the effective date, unless otherwise
 specified.
 - Contract Quarters. "Quarter(s) or "Contract Quarter(s)", refers to the periods as follows in Table 1:

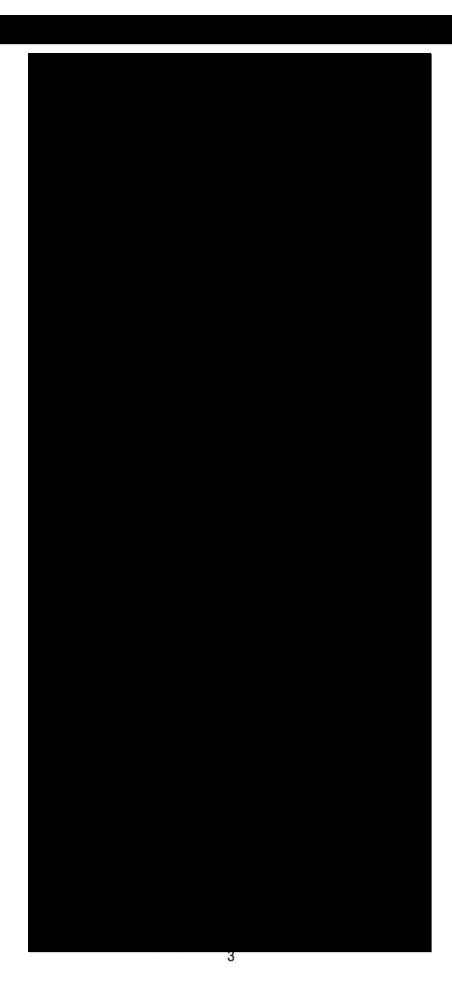
Table 1

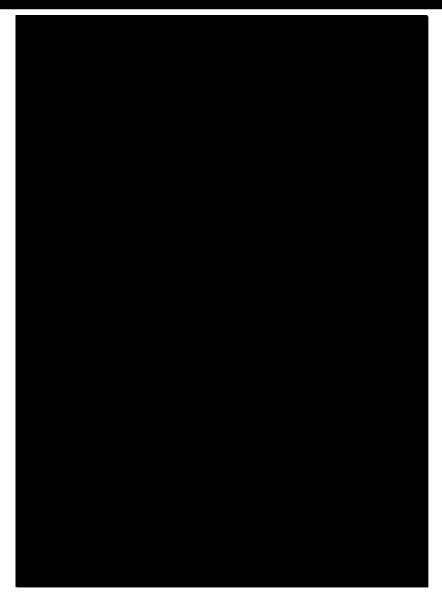
Period Name	Start of Period	End of Period
Quarter 1	January 1st	March 31st
Quarter 2	April 1st	June 30 th
Quarter 3	July 1 st	September 30 th
Quarter 4	November 1 st	December 31 th

3. Beginning on the Effective Date of the Contract, Customer shall pay Tier 2 prices in Table 2 below for the respective product until the second full Contract Quarter. After the end of the second (2) Quarter, Customer will change prices based on the tier structure and the volume amounts, as indicated in Table 2, based on the previous Contract Quarters' volume.

Table 2







 Subsequent Contract Year Prices: Customer will change prices based on the tier structure and the volume amounts as indicated in Table 2, based the previous four (4) Quarters Contract volume.

F. Annual Adjustment

- For subsequent years of the shipping contract, customized prices/products under the agreement would be the
 - (Prices are calculated by USPS and rounded up to the nearest whole cent.)
- 2. The adjusted prices will take effect on the anniversary date of each Contract Year.
- 3. Contract prices for subsequent Contract Years will be calculated by the Postal Service and rounded up to the nearest whole cent.

G. Premium Services

- Upon meeting all applicable requirements as set forth below, Customer is eligible for the following Premium Services upon payment of a Premium Service Fee (PSF): Next Day Contract Package delivery service.
- 2. The PSF for each Contract Quarter will be based on total Parcel Select volume growth for the preceding rolling four quarters. From the Effective Date until the end of the first Contract Quarter, Customer will not be assessed PSF on Contract Packages. Changes to PSF will be made effective on the 15th day of the month following the end of each Contract Quarter. The following tables reflect the per piece premium charge provided by the Postal Service.



H. Customer will pay any published additional fees and surcharges, if any, associated with Parcel Select DSCF as published in the Domestic Mail Manual.

I. Fuel Fee

- 1. Defined Terms- The following definitions shall apply to this Section:
 - a. "Fuel Price" is the national U.S. on-highway average price for a gallon of diesel fuel as listed on the U.S. Energy Information Administration (USEIA) internet web site.
 - b. "Base Fuel Price" for each Contract Year is the greater of the average Fuel Price for the most recently elapsed month of December (e.g. December 2015 for Contract Year 1, December 2016 for Contract Year 2, etc.) or \$3.618.
 - c. "Quarterly Average Fuel Price" for each Contract Quarter, is the average Fuel Price for the preceding three months
 - d. "Quarterly Percentage Increase" is calculated as follows:

("Quarterly Average Fuel Price" minus "Base Fuel Price")

"Base Fuel Price"

 e. "Fuel Fee Percentage" applied each Contract Quarter is the Fuel Fee Percentage corresponding to Quarterly Percentage Increase shown in Table 2.

Table 2



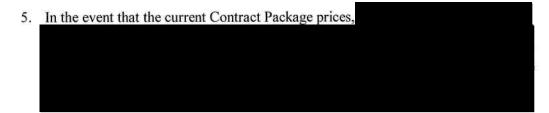
- f. "Fuel Fee Amount" is the then current discounted Contract Package prices multiplied by the Fuel Fee Percentage, rounded to the nearest whole cent (i.e. \$0.015 and above becomes \$0.02 and \$0.014 and below becomes \$0.01).
- 2. The Customer shall pay the Postal Service a Fuel Fee at such time as there has been an increase in the Fuel Price in such magnitude that it leads to a Fuel Fee Percentage that The Fuel Fee shall be calculated and paid as provided in Section I.3, immediately below.
- 3. In the event of a Fuel Fee Percentage provide Customer:

 The Fuel Fee Pricing Table shall calculate the Revised Contract Package price,

 The Fuel Fee Pricing Table shall calculate the Revised Contract Package price,

Fee Pricing Table shall be provided to the Customer no later than 30 days before the start of each Contract Quarter. The Fuel Fee Pricing Table shall provide for the Customer's Contract pricing for the next Contract Quarter.

 The Fuel Fee Percentage will apply to Contract Packages as defined in Section I.B of this Contract.



J. Quarterly Business Reviews. The Parties shall, within fifteen (15) calendar days after the conclusion of each Contract Quarter in each Contract Year, jointly conduct a business review of Customer's Contract Packages and other performance expectations under this Contract either in person, by telecom or by webinar. If either Party is unable to conduct a business review within fifteen (15) calendar days after the conclusion of the above referenced Contract quarters, it shall notify the other Party in writing (i.e. email or mail) of that fact and propose a date as soon as practicable thereafter.

II. Regulatory Review and Effective Date

This contract is subject to approval by Postal Service senior management and/or the Governors of the Postal Service as well as by the Postal Regulatory Commission ("the Commission"). In accordance with Title 39 and the Commission's Rules of Practice and Procedure, the Postal Service will make required filings with the Commission. The effective date of this Contract shall be the later of (i) the date following the Commission approval; or (ii) January 17, 2016.

III. Expiration, Termination and Extension

A. Expiration. This Contract shall expire three (3) years from the Effective Date, unless (1) terminated by either Party with thirty (30) calendar days' notice to the other Party n writing pursuant to Article III.B,;(2) renewed or extended for two (2) years by mutual agreement in writing and subsequent approval by the Commission; (3) superseded by a subsequent written contract between the Parties; (4) ordered by the Commission or a court; or (5) otherwise required to comply with subsequently enacted legislation. Either party may terminate this Contract for convenience upon providing three months' written notice.

B. Termination. Each Party reserves the right to terminate this Contract for convenience, without penalty, with thirty (30) calendar days' written notice to the other Party. Each Party may terminate this Contract in its entirety upon written notice if the other Party breaches any material term of this Contract and fails to cure such breach within thirty (30) calendar days after receipt by the breaching Party of written notice from the non-breaching Party describing such breach. The right to terminate shall be in addition to and shall not be in lieu of any other remedies available to the parties hereunder or by law.

C. Extension. If, at the conclusion for this Contract term, both parties agree that preparation of a successor Shipping Service Contract (SSC) is active, the SSC will be extended for up to two (2) ninety (90) calendar day periods with official notification to the Commission within at least seven (7) calendar days of the Contract's expiration date.

IV. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal within thirty (30) calendar days of receipt of notification of the Postal Service determination giving rise to the appeal to: Manager, Pricing and Classification Service Center, 90 Church St. Ste. 3100, New York, NY 10007-2951 ((212) 330-5300 / Fax: (212) 330-5320). The decision of the PCSC Manager will be administratively final. Any decision that is not appealed within the thirty (30) calendar day time period as prescribed becomes the final Postal Service decision. This appeal process relates only to the issues identified above that arise as a result of the implementation of this Contract.

V. Confidentiality

Neither Party shall make public that the two Parties have entered into a contract or shall make public the terms of this Contract, except to the extent required by law. The Postal Service shall request that the Commission, in executing its functions, not disclose: (1) the identity of Customer as a Party to this Contract, (2) the terms of this Contract, or (3) data supporting this Contract filed by the Postal Service that could identify Customer. The Parties agree that the terms and conditions of the Mutual Non-Disclosure Agreement between Customer and the Postal Service in effect as of the Effective Date of this Contract are incorporated herein by reference and shall apply to all Confidential Information (as defined in the MNDA and including but not limited to the pricing terms of this Contract and Customer's identity as a Party) disclosed by one Party to another.

VI. Amendments

This contract shall not be amended except expressly, in writing, by authorized representatives of the Parties.

VII. Assignment

Neither Party may, or shall have the power to, assign any of its rights under the Contract or, delegate its obligations hereunder, without the prior written consent of the other Party; except that (i) any Party may, without such consent, assign all such rights and obligations to any Person who acquires, directly or indirectly, all or any substantial portion of the assets or securities of such Party provided that no such assignment shall relieve the assigning Party from its obligations hereunder; such consent is not to be unreasonably withheld. In addition to the foregoing, Customer may assign, delegate or sublicense all of its rights and obligations under this Contract to (i) the acquiring entity of a sale or other disposition of all or substantially all of the assets of any line of business or division of Customer, or (ii) any other Party that is created as a result of a spin-off from, or similar reorganization transaction of, Customer or any line of business or division of Customer, provided that no such assignment shall relieve Customer from its obligations hereunder. In the event of an assignment pursuant to this Article VI, Customer and Postal Service shall, at either Party's request, use good faith, commercially reasonable efforts to take such actions as may be reasonably required to assure that the rights and obligations under this Contract are preserved. This Contract will be binding upon the Parties hereto and their respective permitted assigns and successors in interest and will inure solely to the benefit of such Parties and their respective permitted assigns and successors in interest, and no other Person.

VIII. Waivers

This Contract, together with all Schedules hereto, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. No supplement, modification or waiver of this Contract shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Contract shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed as of the day and year first written above.

UNITED STATES POSTAL SERVICE Signed by: Printed Name:
Printed Name: Cliff Eucler Title: VP Sales
Title: VP5ales
Title: VP5ales
17.17815
Date:

Attachment A:

